

CALIFORNIA STATE TREASURER PHILIP ANGELIDES ANNOUNCES  
DISTRIBUTION OF FEDERAL TAX CREDITS  
TO SUPPORT PROJECTS WITH PUBLIC BENEFITS

FOR IMMEDIATE RELEASE  
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SACRAMENTO, CA -- California State Treasurer Philip Angelides today announced that the California Debt Limit Allocation Committee (CDLAC) approved over \$1.6 billion in federal tax exempt bonds to provide low cost financing for affordable housing, student lending, job creation projects and environmental cleanup efforts.

The announcement came at the end of a commission meeting led by the new Treasurer. The vote by CDLAC marked a new direction for use of these bonds, targeting capital resources to lower income communities, families and business enterprises which have least access to affordable capital, and to projects which leveraged public dollars with private capital.

“The State of California has recovered from several years of recession,” said Angelides. “But the recovery has not been even across a state of 32 million citizens. This plan is designed to help those left behind and most in need.”

The plan, adopted by a unanimous vote of the CDLAC Board, set aside roughly \$950 million for affordable multi-family housing, and over \$400 million for single-family home ownership programs. The bond plan also raises student lending to \$100 million, a move strongly advocated by Governor Gray Davis. The balance was earmarked for jobs-producing industrial development facilities, and for pollution prevention and recycling development projects.

The plan was adopted on the same day that news media covered a US Department of Housing and Urban Development (HUD) report showing a 10 year wait for federal housing assistance in Los Angeles, identified as the longest in the country. “Some 40,000 rental units, long supported by Federal Section 8 subsidies, will shortly increase to market rates,” Angelides pointed out. “This, in turn, will force many low-income working families to pay much higher percentages of their family incomes for housing, or to commute longer distances from communities with more affordable rental rates.”

CDLAC was created in 1987 to administer the allocation of tax-exempt “private activity” bonds. Private activity bonds are issued to private projects and programs fulfilling public benefits, and are made possible by a federal tax allocation of \$50 for every resident of a state. California receives an annual federal tax exempt bond cap of over \$1.6 billion.

Treasurer Angelides chairs the CDLAC Board, whose voting members include the State Controller and representatives from the Governor’s Department of Finance.

This year, CDLAC faced unprecedented demand for use of tax exempt financing, receiving approximately \$4.6 billion in requests for its first meeting. “Well-priced capital is a powerful tool for meeting California’s needs, but it does not always flow easily and quickly to all of the places where it is needed,” said Angelides. CDLAC plans June and September meetings to review future applications and applications not approved at this meeting.

The Board’s action was supported by a number of groups, including:

- Californian’s Against Waste
- California Association of Local Housing Finance Agencies
- California Association of Local Mortgage Issuers
- California Integrated Waste Management Board
- California Reinvestment Committee
- Education Finance Council
- National Council of Higher Education Loan Programs, Inc.
- Non-profit Housing Association of Northern California
- Planning and Conservation League
- Southern California Association for Nonprofit Housing
- University of California Student Association
- Western Center on Law and Poverty
- California Rural Legal Assistance Foundation

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